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Help One Another, Use One Another: Toward An Anthropology of Family Business

Alex Stewart
Marquette University, alex.stewart@marquette.edu

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Toward An Anthropology of Family Business

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Alex Stewart

Coleman Foundation Chair

College of Business Administration

Marquette University

Milwaukee, WI 53201-1881

Ph (414) 288-7188

Fax (414) 288-1965

Email Alex.Stewart@Marquette.edu

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Abstract

Anthropological kinship theory is explored for potential contributions to a theory of family business. This paper considers the costs and benefits of a role for kinship in business. Both derive from the discrepancy between the normative orders of kinship and markets; respectively, long-term generalized reciprocity and short-term balanced reciprocity. Because the former reflects the morality of society as a whole, kinship integrates social fields more readily than more specialized orders like markets.

INTRODUCTION

The greatest unutilized resource for advancing the field of family business studies is the large anthropological literature on kinship and marriage. The purpose of this paper is to substantiate that claim. It attempts to do this by seeking out and summarizing the findings and themes from that literature of likely interest to business school scholars, much as Stewart (1990, 1991) did for the anthropology of entrepreneurship. It borrows the organizing schema of Mattessich and Hill (1976): the disadvantages and advantages of kinship in business.

One of the anomalies of the patchy fish-scale world of academe (Campbell, 1969) is that few if any family business scholars are familiar with the "kinship" studies field. Nor is there much sign of progress. For example, Rosenblatt and colleagues (1985) cited few works by anthropologists, but at seven they cited more than the three in Gersick and colleagues (1997). Similarly, a search of ProQuest for both "kinship" and "business" in any search field turned up seven peer reviewed articles, of which only one (Alexander & Alexander, 2000) uses the word kinship in this sense. Despite this absence of crossfertilization, family business writings frequently address topics compatible with anthropological treatment.

Judging from articles in Family Business Review, family business scholars share many interests with anthropologists. For example, the attention by Perricone, Earle and Taplin (2001) to "cultural systems" does not appear unusual (see also García-Álvarez & López-Sintas, 2001; Hall, Melin, & Nordqvist, 2001; Moores & Mula, 2000). A related topic that is also shared in anthropology is social capital and social networks (Steier, 2001; Veliyath & Ramaswany, 2000). Family business scholars seem, in fact, to be proto-anthropologists, writing extensively about many cultures, such as Portugal (Howorth & Ali, 2001), the Persian Gulf (Davis, Pitts, & Cormier, 2000), East and West Germany (Klein, 2000; Pistrui, Welsch, Wintermantel, Liao, & Pohl, 2000), India (Manikutty, 2000; Sharma & Rao, 2000; Ward, 2000), and China and the diaspora Chinese (Gatfield & Youseff, 2001; Lee & Tan, 2001; Pistrui, Huang, Oksoy, Jing, & Welsch, 2001; Tan & Fock, 2001). By my count, the seventeen articles just noted cite 669 works. Of these, less than 1% (five, I believe) is anthropological.

Perhaps this is not surprising. Kinship theory can be a technical undertaking that glazes the eyes of even the anthropology major. Still, substantial portions of these writings are relatively non-specialized and, I believe, compelling for the general reader. I shall gravitate to these works and pay less attention to more technical matters. Before I can do that, however, there is no escaping the need for something dull: a definition.

What Is Kinship?

As one introductory book colorfully said, "Kinship is to anthropology what logic is to philosophy and the nude is to art; it is the basic discipline of the subject" (Fox, 1983:

10). Clearly I cannot introduce the whole field; moreover, I could not improve on Fox's book which, despite some limitations (Scheffler, 2001, p. 104, n. 5), is clear, thorough and well organized. Other introductions include Keesing's (1975) little textbook and, for those more inclined to postmodernist self-doubt, Holy (1996) and Stone (1997, 2001; see Peletz, 1995). Harrell's (1997) <u>Human Families</u> is a systematically evolutionary approach which, despite a title suggestive of family studies, is a work of anthropology.

Definition. Even if anthropologists were uniform in their theoretical and methodological views - far from the reality - the sheer variation in kinship across cultures and over time (Fortes, 1969, pp, 229-230; Harrell, 1997; Johnson, 2000; Schweitzer, 2000b) would generate controversy over definitions. My reading of the ethnographic record and the kinship debates leads me to follow Holy (1996, p. 40, also pp. 166-167) and "most anthropologists [in taking] kinship to be the network of genealogical relationships and social ties modeled on the relations of genealogical parenthood." Good (1996, p. 312) notes that most anthropologists add the qualification "biological kinship, as culturally defined by the society concerned." As Scheffler (2001, p. ix) adds, kinship in this sense is a "universal and often-extensive [factor]… in the constitution of human societies." A loose usage of the term "kinship" also includes marriage and affinity (relationships derived from marriage) - as does this article - but most kinship theorists make the distinction apparent in Fox's (1983) title <u>Kinship and Marriage</u>.

THE COSTS OF KINSHIP

The moral character of kinship. Kinship in modern complex societies is no longer the infrastructure for other functions, such as politics, law and religion. Harrell (1997, pp. 458-490) even argues that only one of eight roles played by families across time - emotional support - remains significant. Yet the continuing importance of family business demonstrates that kinship can still be a match for the forces of markets and "rational" decision-making. I will argue that the reason for this is the unique connection of kinship with a culture's normative order. This very connection is simultaneously the source of the costs that kinship exacts on business.

The moral order of kinship is at odds with the amoral logic of markets. Norms of the hearth, of kin, of family, revolve at one pole of exchange: long-term generalized reciprocity. Norms of the market revolve at the other pole again: short-term balanced reciprocity (Sahlins, 1972, pp. 194-196) and "the unidirectional [rather than accommodating] aspect of property" (Schweitzer, 2000a, p. 212; also Fortes, 1969; Freedman, 1958, pp. 26-27; Lomnitz & Pérez-Lizaur, 1987, p. 128; Marcus with Hill, 1992, p. 41). This argument was developed by Maurice Bloch in two papers (1971, 1973) inspired by Meyer Fortes' concept of the "axiom of amity": "Kinship concepts, institutions, and relations classify, identify, and categorize persons and groups. … this is associated with rules of conduct whose efficacy comes, in the last resort, from a general principle of kinship morality that is rooted in the familial domain and is assumed everywhere to be axiomatically binding. This is the principle of prescriptive altruism which I have referred to as the principle of kinship amity" (Fortes, 1969, pp. 231-232). Bloch (1973, p. 76) paraphrases the normative value as one of "sharing without reckoning" (see also Lomnitz & Pérez-Lizaur, 1987; Long, 1979; Song, 1999, pp. 82-83, 88-89; see Holy, 1996, p. 45 for restrictions on Fortes' intended use of the axiom).

"Sharing without reckoning": this cannot be the slogan of the market. In contexts where generalized reciprocity dominates market principles of exchange, "family obligations can interfere with economic performance" (Whyte, 1996, p. 14). Entrepreneurs must resist normative pressures to support their extended families if they wish to reinvest in their firms (Belshaw, 1965; Bloch, 1973; Hart, 1975; Holy, 1996, p. 110; Nafziger, 1969; Whyte, 1996). They must impose economic, meritocratic criteria for participation in firms in kinship contexts where mere relatedness is the "sufficient" (Scheffler, 2001) condition. This need to "disembed" (Stewart, 1990) from traditional relationships is a prima facie indication of costs to kinship where kinship trumps economics.

Disembedding from societal norms itself carries costs in lost legitimation, and risks (such as witchcraft accusations) attendant on nonconformity (Gates, 1993; Geertz, 1967; Oxfeld, 1993, p. 95; Watson, 1985, p. 163). As a consequence, early in the life of the family firm or the entrepreneurial career, it may be necessary to begin "re-embedding" by means of conspicuous acts of generosity and patronage. These costs may be high, because a typical behavior of traditional entrepreneurs is a continuous flow of gifts as a means of creating an indebted following (Barth, 1959, pp. 77-80; Lomnitz & Pérez-Lizaur, 1987, p. 13; Stewart, 1990; A. Strathern, 1971).

Kinship-focused actors can feel the need for conspicuous generosity even where economic norms dominate. Scions of long-standing, "dynastic" family firms face a disjunction between the family firms and modern societal norms. In her study of large Portuguese family firms, de Lima (2000, p. 152) detected "a profound sense of contradiction" on the part of family members, torn between norms of meritocracy and norms of dynastic succession. Marcus and Hall (1992, p. 20) found a similar "ambivalence" on the part of descendants of dynastic families within the United States.

These dynasties face the challenge of retaining the affiliation of descendants whose allegiances have been redirected by prevailing norms of individualism and nuclear families. In older family firms, particularly when family members are no longer active in the business, dynasties seek to reconcile their norms with those of the host society by means of a compulsive philanthropy (Marcus & Hall, 1992, pp. 110-112). Similarly, some dynastic families (and even first-generation entrepreneurs) may seek legitimation by investments in assets, such as ranches, with low productivity but high prestige (Bruun, 1993, p. 13; Lomnitz & Pérez-Lizaur, 1987).

Business logic secondary to kinship logic. When kinship logic supercedes business logic, the rationale for operating decisions may appear to be "technical" (Pérez-Lizaur, 1997, p. 544) but be based instead on the short-term consumption needs of the owners: "trips, cars, money for… daughters, mothers and sisters" and so on (as above; also Lomnitz & Pérez-Lizaur, 1987, pp. 11, 13, 105, 116-117). Similarly, the right to managerial influence may be based not on expertise but on kinship position and the ownership of kinship property (Greenhalgh, 1994). In this case, where kinship logic overrules economic logic in the labor market the phenomenon, of course, is nepotism.

Nepotism. Even in family firms in the so-called Confucian (Greenhalgh, 1994) environment of Hong Kong, "nepotism" is a disparaged phenomenon (Wong, 1988, pp. 136-137, 142-143). The reasons are obvious. When kinship position takes priority over experience and capability, a certain cost is a breach in the link between performance and rewards (Belshaw, 1965; Ram & Holliday, 1993). A heavier cost can be the promotion of incompetents who cannot be dismissed (Lomnitz & Pérez-Lizaur, 1987, p. 112; Whyte, 1996). In some cultures this pattern coexists with control by a patriarch (or group of brothers) with wide latitude in hiring, firing, and salary determinations (Greenhalgh, 1994; Leyton, 1970).

When authoritarian kinship systems give rise to authoritarian firms the tensions caused by nepotism are drawn in sharp relief, but nepotism causes tensions irregardless. It does so partly by generating opportunity costs of two types. First, it reduces the ability of the new generations to find optimal uses for their talents in open labor markets (see Song, 1999, pp. 88, 92; Whyte, 1996). Second, it reduces the ability of non-kin and disadvantaged kin to make optimal use of their talents in the internal labor markets.

When kinship logic supercedes economic logic, it can lead to delegitimation within the firm itself. For example, in many cultures the male leaders of the kin groups dominate financial management and monopolize external network ties (Chiu, 1998; Dhaliwal, 1998; Lu, 2001; Oxfeld, 1993, pp. 145-147). As a consequence, women and other disadvantaged kin and affines may feel themselves exploited and lose faith in the equity of the family firms (Dhaliwal, 1998; Song, 1999, pp. 110-111).

In many such cultures family members resolve perceived inequities (among men) by dividing the family estate and starting new branches of the firm. This solution is creative and enduring (Goody, 1996, pp. 143, 155, 203) but not without its tensions. In divisions, both the timing of the split and the allocation of assets are sources of dispute (Oxfeld, 1993, p. 181). In contexts of joint ownership and effort but distinctions in abilities and responsibilities it is difficult to reach agreement on credit for success or blame for failure (Blim, 1990, pp. 191-192; Oxfeld, 1993, pp. 165, 191-196). This problem is explicit in customary Chinese law which “recognized two kinds of property, the ‘inherited assets’ transmitted from the ancestors and the ‘acquired property’” developed by entrepreneurs (Greenhalgh, 1994, p. 756; also Goody, 1997; Wong, 1988, pp. 152-155). Consensual attributions about the sources of “acquired property” are rare.

Difficulties in allocating credit and blame are scarcely unique to family firms, but nepotism does exacerbate them by slanting official attributions towards non-merit-based criteria. Bias harms both disadvantaged relatives and non-kin employees. Inherent fissures between kin and non-kin and between core kin and peripheral kin create a vicious cycle of distrust (Wong, 1988, p. 103 for the phrase “vicious cycle”; also Geertz, 1967; Greenhalgh, 1994; Hart, 1975; Leyton, 1970; Lu, 2001; Whyte, 1996). Like any cycle it could begin anywhere; let us start with the monopolization of authority and key rewards among the core kin. The result is perceived inequities among other employees and non-core kin. This in turn leads to “unreliable” behaviors such as turnover, which, of course, leads to reinforced views among core kin members that outsiders are unreliable.

This problem is likely most salient for firms that manage their finances with a goal of private, familial purposes. In these cases, highly sensitive information about side-dealings and other arrangements that would be inappropriate if the firms were publicly traded (consider Enron) creates an even greater need for <u>confianza</u>, (as Mexican owners express it, Lomnitz & Pérez-Lizaur, 1987, p. 119)

THE PROFITS OF KINSHIP

Despite these disadvantages, family firms have been so successful through time and space (Goody, 1996) that kinship must offer benefits that outbalance the costs. Of course, these benefits do not necessarily accrue to the firm as such. They may accrue to some but not other family members, or to neither the family members nor the family firm. Some of the benefits of kinship accrue to the firm’s service providers (Marcus &

Hall, 1992, pp. 5, 353). They can also benefit the family qua family. For example, the benefits of kinship can revolve around "emotion, mental health, [and] group cohesion" Schweitzer (2000b, p. 16). They can include the "proper upbringing of young children" in a setting with the preferred social norms (Goody, 1996, p. 141). Further, a successful family firm can facilitate the re-unification of nuclear families and the longevity of the undivided joint family (Bruun 1993, p. 32; Harrell, 1993; Long, 1979; Song, 1999, p. 75). The consequent task, often undertaken by women, of organizing communication in extended families is also facilitated by the success of the firm (de Lima, 2000; Johnson, 2000; Ram & Holliday, 1993).

Unfortunately, the intention that the business preserve family solidarity can be frustrated by the isolating effects of working at close quarters in a busy operation that allows little opportunity for family communication or leisure (Song, 1999, pp. 87, 108, 121-122). Family itself can be frustrating for its members. Whereas some entrepreneurs become business leaders in order to become kinship leaders (Belshaw, 1965; Geertz, 1967; Lomnitz & Pérez-Lizaur, 1987, p. 13; Wong, 1988, p. 164), other entrepreneurs on the contrary become business leaders in order to escape from kinship constraints (Gates, 1993; Harrell, 1993). The Chinese female entrepreneurs that Gates studied seem not to have found that the benefits of kinship for business applied in their case.

Benefits for Business

Access to resources. Relatives (affines and kin) are universally sources of capital for startup firms (Benedict, 1968; Learned, 1995; Mattessich & Hill, 1976; Nafziger, 1969; A. Strathern, 1971, pp. 154, 196-197). Even in countries with advanced capital markets, relatives provide capital in quantities that would not be worth the due diligence costs of professional providers (Learned, 1995). Relatives provide not only capital but also living expenses during startups (Hart, 1975). They also pool their resources - as do conjugal mates - to generate sufficient capital (Harrell, 1993; Hart, 1975).

Relatives provide a diffuse, long-term source of social support that underwrites the capacity of entrepreneurs to take short-term risks (Benedict, 1968; Goody, 1996, p. 141; Greenhalgh, 1989; Mattessich & Hill, 1976). Extensive networks of affines and kin also provide a major source of mentoring (A. Strathern, 1971, p. 199), access to business channels and markets (Benedict, 1968; Goody, 1996, pp. 120, 150) and information (Lomnitz & Pérez-Lizaur, 1987, pp. 118, 120; Schneider & Schneider, 1976, pp. 41-42, 48, 55; Watson, 1985, p. 174). Networks of social support and of information can, of course, be based on non-kinship bases such as ethnicity (Cohen, 1969; Leyton, 1970). Kinship, however, plays a particularly important role in these networks, which raises the question of the character of kinship that lends itself to this purpose.

A cryptic answer to this question is offered by Marcus and Hall (1992, p. 131): "The power of dynastic wealth is its power to be conspiratorial, to make secret deals, that is, to pull together resources from across various social and institutional spheres to pursue a single aim… The residual strength of dynasties, similar to [that of] lineages… is that they integrate functions and activities that specialized institutional orders differentiate and fragment". This proposition has three components: secrecy, generality, and integration across social fields. The link between kinship and secrecy is straightforward (Benedict, 1968; Lomnitz & Pérez-Lizaur, 1987, 119). The link with generality and integration is less obvious.

The link is the reflection in kinship, rather than in specialized realms such as markets, of the moral order of the society as a whole. This moral order is rooted in generalized reciprocity and redistribution (Polanyi, 1957, pp. 46, 49, 52-54; cf. Mengzi, 4th c. B.C. (Lau, 1970, p. 92)). The persistence of kinship-based enterprise implies that Polanyi (1957, p. 57) was wrong to believe that in market societies "instead of economy being embedded in social relations, social relations are embedded in the economic system." Indeed, Goody (1996, p. 102) holds that the notion of "the Great Divide" postulated by Polanyi "is plainly wrong." I suspect that even now economic activity is more deeply embedded in kinship than in other ties, more typically cited by embeddedness theorists, such as friendship and co-ethnicity (Granovetter, 1985; cf. Stewart, 1990).

In his 1971 article Bloch argued that kin terms make reference to the totality of a culture's constant principles of right and wrong. Two years later (Bloch, 1973, p. 87) he made the connection between this moral character of kinship and its generality: "The selective [evolutionary] value of kinship is precisely the combination of the many functions which it can perform without it being reduced either in character or in time to any single one… it is the generality of kinship and the continuity of kinship which is of prime significance and these features are due to its morality." Moreover, "Kinship… relationships… provide potential cooperation continuing through the vicissitudes of time… For long-term planning, only social relationships which are reliable in the long-term can be used and this reliability comes from morality" (Bloch, 1973, p. 79). The persistence of ties infused with norms of generalized reciprocity, and with low "social costs" (Long, 1979, p. 152), provides a "group insurance against failure" (Greenhalgh, 1989, p. 90) that empowers the entrepreneur to take risks with other, arms-length commercial relationships (see Polanyi, 1957, p. 61). A moral order of generalized reciprocity undergirds any enterprise culture.

Extensive weak ties, strategic strong ties. "Entrepreneurs [need] particularly extensive weak ties, and strategic strong ties" (Stewart, 1990, p. 149). For access to information, entrepreneurial families make particularly good use of weak ties through their extended families and affines (Lomnitz & Pérez-Lizaur, 1987, p. 118; Schneider & Schneider, 1976, pp. 73-74). Strategic marriages are important because they provide points of network entry based on "strong ties with well-connected people [who] are needed to set in motion particular indirect effects" (Stewart, 1990, p. 149; for affinity see Watson 1985, pp. 117, 128-129, 132-133, 156-163, 172, 226-227). Strong ties are needed for networking with distant or weak ties, and not only for their more obvious value in the mobilization and management of people within the family firm.

The internal value of strong ties is, certainly, considerable. Affines and kin (that is, people with very strong ties) provide sources of labor (e.g., Blim, 1990; Greenhalgh, 1989, 1994); not only labor but labor with advantages for the firm. Family members have been found to be more committed (Mattessich & Hill, 1976), harder working (Benedict, 1968; Ram & Holliday, 1993) and longer-serving than non-family members (Song, 1999, p. 10; Wong, 1988, p. 68). Because of their tacit knowledge both of the firm and one another, they are easier to coordinate and more adaptable as conditions change (Benedict, 1968; Greenhalgh, 1989; Ram & Holliday, 1993). For example, the family can reduce its consumption during economic downturns and expand hours worked during upturns (Blim, 1990, p. 118; Song, 1999, p. 85). Labor costs are also generally lower than for non-relatives (Benedict, 1968; Greenhalgh, 1989; Lu, 2001; Mattessich & Hill, 1976; Wong, 1988, p. 143). Moreover, while family firms respond to highly uncertain environments with a short-term planning horizon (Bruun, 1993, p. 13; Pérez-Lizaur, 1997; Whyte, 1996), in more settled environments they adopt very long time horizons. This facilitates the patient investment of education and training in family members (Benedict, 1968; de Lima, 2000; Goody, 1996, pp. 182-183; 193; Nafziger, 1969).

How can family members be mobilized? Family firms mobilize family members. But family members surely do not permit their own mobilization as purely unproblematic extensions of kinship obligations. Members are not, after all, purely kinship beings bereft of tactical intentions of their own. Clearly, not all family members prefer to work for the family firm (Chiu, 1998; Dhaliwal, 1998, Song, 1999, pp. 88, 92, 110-111). In order to explain their mobilization, we need to consider the purely tactical, the purely moral, and the tactical use of the moral.

Perhaps the least important is the purely tactical; that is, the manipulation and calculation of self-interest alone. The most raw and Hobbesian mode of recruitment, authoritarian power, appears to be rare but is not unheard of (Song, 1999, pp. 73, 110). More subtly, the authority differentials of kinship systems can offer opportunities for the mobilization of familial resources by kin group leaders (Greenhalgh, 1989). Kin-based hierarchies can form the model for organized action in the economic realm (Watson, 1985, pp. 35, 38, 47-48, 163).

Family members also join in the family enterprise because of low opportunity costs in the external job market (Blim, 1990, p. 155; Chiu, 1998; Wong, 1988, p. 144).

Golden handcuffs further increase the differential. In the case of ethnic family firms studied by Leyton (1970, p. 184), "dependence is maintained by ensuring that any director or salesman enjoys and becomes accustomed to a standard of living out of reach of his own earning power" (see also Long, 1979). Similarly, members may calculate the value of their possible inheritance of the business. Common also is awareness of the family's financial need for labor contributions (Chiu, 1998; Song, 1999, pp. 76, 84, 114). This awareness leads to an internalization of external market forces that operate as a social control mechanism in the firm; hence, it has been called "market discipline" in a non-family context (Stewart, 1989, p. 44). Market discipline is the internalization of instrumental logic and as such is both moral and tactical.

Familial members also internalize familial values, such as long-term reciprocity, filial obligation and hard work for one's family (Chiu, 1998; Oxfeld, 1993, p. 160; Song, 1999, pp. 82-83, 106-108). Because these values are typically implicit and enacted over many years beginning at very young ages, they exert considerable force (Dhaliwal, 1998; Song, 1999, pp. 81, 117-119). They may be reinforced by the younger generation's identification with their ethnic minority communities and a sense of equity regarding the travails of the parental generation (Song, 1999, pp. 76-79, 87, 110, 114). Although these values are often unexpressed, older members are not reluctant to invoke them in an effort to attract and retain family labor. At least in the case of Chinese cultures, filial ideologies are used to manipulate feelings of guilt for those who do not actively pitch into the business (Song, 1999, pp. 101-102, 111, 113). For the recalcitrant, peer pressure can also be applied (Leyton, 1970; Song, 1999, p. 123). On balance, the informal "family work contracts" between the generations are morally construed: they are "understood in terms of nonexacting, generalized forms of reciprocity over the long term" (Song, 1999, p. 89; referring to Bloch on the previous page; see Chap. 4 generally). Therefore, the root of kinship's costs to business - its discrepancy from market norms - is also the root of kinship's benefits for business. However, as Bloch argued, the moral can also be used for tactical, pragmatic ends (Bloch, 1971; Bennett & Despres, 1998; Song, 1999, pp. 82-88; Stewart, 1990; M. Strathern, 1985).

At a high level of abstraction, we can say that entrepreneurs profit by bridging differing spheres of social life to exploit discrepant valuations across space and time (Barth, 1967; Rumelt, 1987). To do this, they need certain skills in both moral orders and tactical practice if they are to mobilize supporters and serve customer needs. <u>Family</u> business entrepreneurs must be particularly adroit in sensing the resources and the limits that moral obligations provide them. They draw upon more social resources than other entrepreneurs, but these resources reference a moral order that would not lightly code them as "resources". The lines between consensual duties to the family and exploitations of feeling are fine. Only a leader immersed in both moral and tactical worlds can direct kin-based cooperative effort to instrumental ends.

CONCLUSION

Few business school scholars are trained in anthropology, but it is possible for them to borrow bundles of concepts from anthropology, or if not full-fledged concepts at least sensitivities to sets of variables or dimensions that can be identified. Examples of themes in the present paper are the reasons that relatives work in family firms, the temporal dynamics of embeddedness, and the tensions between the moral and tactical dimensions of kinship.

Borrowing from anthropology can also broaden our bounding of the family business field. It may be preferable to think of kinship-based rather than family business. One problem with the term "family" is the infeasibility of defining the term either functionally or structurally in a cross-culturally valid way (Harrell, 1997, pp. 3-4; Holy, 1996, pp. 57, 67; Pine, 1996; Terrell, 1997; admittedly, similar arguments have been made about "kinship"). Two advantages of thinking of kinship-based business are the range and analytical depth of the scholarship upon which one can draw, and the broader scope of investigation implied. Take for example the case, apparently common, of a new firm capitalized by investments by the owner's parents' wealthy friends (Learned, 1995). These investors are not relatives and the firm would not, by this measure alone, be defined as a "family business". However, the transaction that launched the business was kin-based. The investors provided capital to the particular person they chose precisely because of his filiation to their friends.

Limitations.

As is customary, I do lament the modesty of my contribution relative to the advances that could be achieved. Many crucial issues have surely gone unrecognized. I have ignored the toolbox of analytical tools and techniques, such as particular uses of social network analysis (e.g., Houseman & White, 1998; White & Jorion, 1992). Only cursory notice has been given to topical areas of great importance, such as devolution of rights and property to succeeding generations. Also deserving more attention is the closely related topic of conflict, which has also been considered by many anthropologists (e.g., Scheffler, 2001). More generally, I have undoubtedly oversimplified both the ethnographic record and kinship theory. I have certainly not tried to answer some of the knottiest questions, such as why it is true - if indeed it is - that relationships modeled on genealogy might be reference points for ultimate morality (Carstens, 2000; Freeman, 1973). Freudian and Fortesian explanations are beyond me here (personal communication with D. P. Lumsden, who was Fortes' student at Cambridge).

Possibilities for further development. Another limitation of this paper is that I have not synthesized anthropology and business school writings. Great potential exists for this pursuit. For example, tensions between the family and business "systems" are important topics in family business writings based on family studies and clinical psychology (e.g., Dyer, 1992; Rosenblatt, et al., 1985). These approaches could be compared with anthropological thinking on the moral and tactical, the long-term and the short, balanced and generalized reciprocity.

Within anthropology itself, there is a limitation that business school scholars may be able to remedy. Many topics in kinship-based business, such as the process by which kin become attached to family firms, can be adequately depicted only with detailed, longitudinal studies of specific settings. Anthropology has a tradition of these sorts of studies with a focus on kinship, such as Gulliver (1971), Turner (1957) and Van Velsen (1964), or with a focus on the workplace (Kapferer, 1969, 1972). None of these studies pays much attention to both kinship and business. Kapferer's studies are unusual in taking as the unit of observation such a small-scale field as the workplace. Ethnographic work on kinship typically takes as its unit a larger social entity such as a lineage group (Watson, 1985) or ethnic minority specializing in a given industry (Oxfeld, 1993). With these examples, the people who were studied ran formal business organizations. Other people who have been studied include entrepreneurial actors who lack such organizations (e.g., Barth, 1959; Gulliver, 1971; A. Strathern, 1971).

Even the best of the ethnographic studies of kinship-based businesses, such as Oxfeld (1993), Song (1999) and Wong (1988), derive their firm-level data from interviews. Interviews have many virtues but learning how people actually behave is not one of them (Stewart, 1998, pp. 26-28). Nor are interviews the heart of anthropological method. If we are to have a fully anthropological - that is, ethnographic - understanding of kin-based businesses, business school scholars will need to do more than merely borrow. They will need to conduct ethnographies themselves. If they do so, I hope that they will incorporate into their thinking the long and living tradition of anthropological kinship theory.

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